

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI  
JACKSON DIVISION**

**E\*TRADE SECURITIES LLC,  
CHRISTOPHER ERLEWINE, GERALD  
RITTER and ROD WEBB,**

**Applicants**

**vs.**

**RICHARD H. ROSS and J. STEPHEN  
ROSS,**

**Respondents.**

**CIVIL ACTION NO. 3:09-cv-00550-TSL-JCS**

**ORDER CONFIRMING ARBITRATION AWARD, DIRECTING EXPUNGEMENT,  
AND DIRECTING ENTRY OF FINAL DEFAULT JUDGMENT**

**THIS CAUSE** came before the Court on the Motion of Plaintiffs/Applicants E\*TRADE Securities, LLC, Christopher Erlewine, Curtis Ritter (mistakenly referred to in the Application for Confirmation of Arbitration Award as “Gerald Ritter”), and Rod Webb (“**Applicants**”) for Final Default Judgment against Defendants Richard H. Ross and J. Stephen Ross (“**Defendants**”) on Applicants’ Application for Confirmation of Arbitration Award. The Court, being fully advised in the premises, finds as follows:

1. The Court has jurisdiction over the subject matter pursuant to the Federal Arbitration Act (“**FAA**”), 9 U.S.C. §§ 6, 9 and 28 U.S.C. § 1332, as the parties’ citizenship is completely diverse and the amount in controversy in the underlying arbitration exceeded \$75,000.
2. Venue is proper in this district pursuant to 9 U.S.C. § 9 and 28 U.S.C. § 1391, as a substantial part of the events or omissions giving rise to this claim occurred within this district.
3. E\*TRADE is a Delaware limited liability company, and is a FINRA “member” as Rule 12100(o), FINRA Code of Arbitration Procedure for Customer Disputes (“**Customer Code**”),

defines that term.

4. Applicants Christopher Erlewine (“**Mr. Erlewine**”), Curtis Ritter (“**Mr. Ritter**”) and Rod Webb (“**Mr. Webb**”) are “associated person[s] of a member” pursuant to Rule 12100(a), FINRA Customer Code.

5. Defendants were “customers” pursuant to Rule 12100(i), FINRA Customer Code.

6. Defendants initiated a claim in arbitration against E\*TRADE and Messrs. Erlewine, Ritter and Webb before FINRA Dispute Resolution, Inc., which became FINRA Case No. 08-03042.

7. Following a May 26, 2009, evidentiary hearing, the Arbitration Panel held an evidentiary hearing on expungement, and being satisfied that expungement was appropriate, entered a Stipulated Arbitration Award (“**Award**”). In the Award, the Arbitration Panel recommended “the expungement of all reference to the above captioned arbitration from [Messrs.] Erlewine[’s], Ritter[’s] and Webb’s registration records maintained by the CRD [Central Records Depository], with the understanding that pursuant to Notice to Members 04-16, [Messrs.] Erlewine, Ritter and Webb must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.”

8. Also in the Award, the Panel based its recommendation on affirmative finding of facts pursuant to NASD Rule 2130 and Rules 12805 and 13805, FINRA Customer Code as follows:

a. “As to Respondent Webb, the claim is both factually impossible and clearly erroneous and Respondent Webb was not involved in the investment-related sales practice violation.”

b. “As to Respondent Ritter, the claim is clearly erroneous and Respondent Ritter was not involved in the alleged investment-related sales practice violation.”

c. “As to Respondent Erlewine, the claim was clearly erroneous and false.”

9. NASD Rule 2130 and Rule 2080, FINRA Customer Code provide in pertinent part: “(a) Members or associated persons seeking to expunge information from the CRD system arising from disputes with customers must obtain an order from a court of competent jurisdiction directing such expungement or confirming an arbitration award containing expungement relief.”

10. Applicants served Defendants with original summons and Application on November 4 and 2, 2009, respectively. Neither Defendant responded within the time permitted, so the Clerk entered default against them on December 22, 2009, pursuant to Rule 55, *Federal Rules of Civil Procedure*.

11. Applicants filed their motion for entries of default on December 22, 2009. Accordingly, it is

**ORDERED AND ADJUDGED** as follows:

A. The Court hereby **CONFIRMS** the Stipulated Arbitration Award entered in FINRA Dispute Resolution, Inc. Case No. 08-03042 in Applicants’ favor and against Defendants, pursuant to the Federal Arbitration Act, 9 U.S.C. §§ 1 *et seq.*

B. The Court hereby **DIRECTS** the Central Registration Depository to immediately expunge all reference to Defendants’ claims from the professional registration records of Plaintiffs/Applicants Christopher Erlewine, Curtis Ritter and Rod Webb.

C. The Court **DIRECTS** the Clerk to enter final judgment of default in Applicants’ favor and against Defendants.

**SO ORDERED AND ADJUDGED**, this the 9<sup>th</sup> day of February, 2010.

/s/Tom S. Lee  
UNITED STATES DISTRICT JUDGE

PRESENTED BY:

Michael B. Wallace, MS Bar No. 6904  
John P. Sneed, MS Bar No. 7652  
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